Registry of the Competition Tribunal

2006-2007

Departmental Performance Report

Minister of Industry

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SECTION I: OVERVIEW

Minister's Message

I am pleased to present the Registry of the Competition Tribunal's *Departmental Performance Report* for 2006–2007.

My goal as Minister of Industry, and one of the top priorities of Canada's New Government, is to ensure we maintain a strong economic environment — one that allows Canadians to prosper in the global economy. We are seeing great changes in the international marketplace. New trade agreements, rapidly advancing technologies and the emergence of developing countries are all contributing to today's business environment. Canada needs to keep pace.

Part of my mandate is to help make Canadians more productive and competitive. We want our industries to continue to thrive and all Canadians to continue to enjoy one of the highest standards of living in the world.

For this to happen the government is committed to maintaining a fair, efficient and competitive marketplace — one that encourages investment, sets the stage for greater productivity, and facilitates innovation. We are relying on market forces to a greater extent, regulating only when it is absolutely necessary. Our policies have helped turn research into new products and business processes. In addition, we are making efforts to increase awareness of sustainability practices among Canadian industry, emphasizing the social, environmental and economic benefits they bring.

The Department and the Industry Portfolio have made progress on a wide range of issues this past year, most notably in the areas of telecommunications, science and practical research, manufacturing, small business, consumer protection, patents and copyrights, tourism and economic development.

The Industry Portfolio is composed of Industry Canada and 10 other agencies, Crown corporations and quasi-judicial bodies. These organizations collectively advance Canada's industrial, scientific and economic development, and help ensure that we remain competitive in the global marketplace.

We have accomplished much this year. Using *Advantage Canada* — the government's long-term economic plan — as our roadmap, we have made great strides toward many of our most important goals. We will continue to focus on these goals to support the conditions for a strong economy — an environment that Canadians expect and deserve.

Jim Prentice
Minister of Industry

Management Representation Statement

I submit for tabling in Parliament, the 2006–2007 Departmental Performance Report for the Registry of the Competition Tribunal.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome(s) and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and

It reports finances based on the approved numbers from the Estimates and the Public Accounts of Canada.

Name: _____

Title: Deputy Head and Registrar

Summary Information

Department's Reason for Existence—The Competition Tribunal is a quasi-judicial adjudicative tribunal that was created in 1986 by the *Competition Tribunal Act*. Its mandate is to hear applications and issue orders related to the civil reviewable matters set out in Parts VII.1 and VIII of the *Competition Act*, whose purpose is to maintain and encourage competition in Canada, and to ensure that firms compete fairly and markets operate efficiently. The Tribunal has no other function and operates at arm's length from the government and its departments.

The *Competition Tribunal Act* provides for an administrative infrastructure for the Tribunal. For the purpose of this report, a clear distinction between the Tribunal and its Registry must be established. While they assume complementary roles to support the implementation of the *Competition Act*, these two entities have different status, carry out different activities, and are subject to different accountability measures. One fundamental difference between the Tribunal and the Registry is that the former is a quasi-judicial body, while the latter is considered a federal department under the *Financial Administration Act*. In fact, the *Financial Administration Act* specifically excludes the Tribunal from the Registry's designation as a department.

Since its creation, the Tribunal has heard cases relating to mergers, abuse of dominant position and various trade practices that have involved key players in several industries. The Tribunal has dealt with cases concerned with products and services in a number of business arenas, including, among others: pharmacies and pharmaceutical retailing; furniture stores; importers of cast iron pipes; airline computer reservation systems and travel; oil refining and gasoline retailing; community newspapers; aspartame; waste disposal; car parts; marketing research services; shared electronic network services; grain handling services; forestry industry; weight loss; tanning industry and fuel saving devices.

Financial Resources (in $ thousands)

2006–2007		
Planned Spending	**Total Authorities**	**Actual Spending**
$1,524	$1,545	$1,524

Human Resources

2006–2007		
Planned	**Actual**	**Difference**
14 FTEs	14 FTEs	0

Status on Performance			2006–2007	
			Planned Spending	**Actual Spending**
Strategic Outcome: Open, fair, transparent and expeditious hearings related to the Tribunal's jurisdiction				
Priority No. 1 Efficient and effective Registry support to the Tribunal for the conduct of fair and timely hearings of cases and to issue decisions under Parts VII.1 and VIII of the *Competition Act* in accordance with the provisions of the Act.	Program Activity – Expected Result The Tribunal hears cases and the Registry processes the materials for the cases heard by the Tribunal under Part VII.1 (Deceptive Marketing Practices) and Part VIII (Reviewable Matters) of the *Competition Act*. The expected results are a Registry service that provides administrative support to Tribunal members and litigants; ensures timely access to case records and decisions, contributing to the Tribunal effectiveness and transparency; efficient case processing and hearing services to the Tribunal and litigants; efficient management of the Tribunal's case records, and the continued maintenance and enhancement of modernized document and filing systems.	Performance Status A comprehensive review of the *Competition Tribunal Rules* was undertaken. These proposed rules simplify processes before the Tribunal. There has been continued effort to enhance the Tribunal's case management system. A new case management system was implemented in 2007.	$1,524	$1,524
	Program Activity – Expected Result Support services related to cases, other administrative support (IT, finance, and administration).	Performance Status In an effort to improve service, service standards were developed and implemented in both		

	The expected results are the strengthening of management practices, and support for employee learning and development.	the Registry services and finance areas. The *Public Service Employment Act* implementation is complete, and a review of mandatory policies has occurred. The RCT continues its commitment to employee learning and development		

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Analysis by Program Activity

Strategic Outcome

Open, fair, transparent and expeditious hearings related to the Tribunal's jurisdiction.

Program Activity Name

Hearing and Processing Cases under the *Competition Act*

Providing Support Services

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$1,524	$1,545	$1,524

Human Resources

Planned	Actual	Difference
14 FTEs	14 FTEs	0

Hearing and Processing Cases under the *Competition Act*

The Tribunal hears cases and the Registry processes the materials for the cases heard by the Tribunal under Parts VII.1 and VIII of the *Competition Act*.

The expected results of this program activity are a Registry service that provides administrative support to Tribunal members and litigants and timely access to case records and decisions, contributing to enhanced Tribunal effectiveness and transparency and the continued maintenance and enhancement of modernized document and filing systems. It is also expected that efficient case processing and hearing services to the Tribunal and litigants and efficient management of the Tribunal's case records will occur.

Competition Tribunal Statistics for 2006-2007	
Number of proceedings filed from previous years and still ongoing	7
Number of proceedings filed	12
Number of proceedings completed	14
Number of decisions rendered	29

Working Environment

The Registry of the Competition Tribunal (RCT) is a small federal organization with one service line — providing support to the Competition Tribunal in support of its business line – the hearing of applications and the issuance of orders. Clients of the Tribunal are all Canadian businesses, and the cases it hears are complex. Conducting proceedings in a timely manner is important, and the outcomes of Tribunal proceedings are felt by all Canadians. The RCT does its best to provide value-for-money and superior service to the Tribunal, its Chairperson and members, Tribunal clients and all Canadians.

The RCT's major planning challenge is that the Tribunal has no function other than that associated with the hearing of applications and the issuance of orders; and thus can only react to external demands. Hence, it does not control its workload. The number of applications brought before the Tribunal depends on the enforcement policy adopted by the Commissioner of Competition and the number of cases filed under the private access provisions of the *Competition Act*. As a court of record the Tribunal has such powers, rights and privileges as are vested in a superior court of record with respect to the attendance, the swearing-in and examination of witnesses, the production and inspection of documents, the enforcement of its orders and other matters necessary for the due exercise of its jurisdiction.

The RCT and the Tribunal are constantly looking for ways to enhance preparedness so that cases are processed promptly and fairly. Litigants expect cases to be resolved quickly and at lower cost. The RCT has modernized its operations over the last several years. The RCT has felt increased pressure to develop and introduce more electronic services, and it has responded appropriately. The RCT's electronic filing and hearing process has set a standard for the legal community.

Improving Client Service

During 2006-07, the RCT implemented a new case management system in support of its electronic services. The new system provides more effective support for electronic hearings, the members' electronic bench book and improved case management features. This system has improved the quality of information readily available to Registry staff, and improves the response time to address questions from parties before the Tribunal or the public.

The RCT's secure channel web-based electronic filing application permits counsel to file documents securely from any location at any time. This web-filing application is used in conjunction with other forms of electronic filing, such as email attachments and CD-ROMS. Feedback on this web-based application was positive and confirms that it is seen as an efficient tool for the secure filing of documents. Comments regarding the website are captured via web survey questions. The results have been positive and clients have been pleased with electronic filing. Comments received indicate that these services save time, provide quicker access to the documents and confirm that it is a service the participants would use again.

To measure satisfaction with Registry services, client satisfaction surveys were designed for the parties to a hearing and for the Tribunal members. Overall, satisfaction with the services provided by Registry staff is high, as is satisfaction with the electronic hearing system. Service provided by Registry Officers is measured relating to scheduling, preparation of bench books, hearing support, technical advice and the issuance of Orders and Directions. All respondents indicated that they were satisfied with all services, with one respondent indicating that he/she was not satisfied with the issuance of orders or directions. With respect to the service provided by the legal advisors, the members of the Tribunal responded that they were all very satisfied, as were they satisfied with the e-hearing system. The survey results from the parties to the hearings indicate satisfaction with the level of service received by the Registry officers as well as with the e-filing and e-hearing systems.

Service standards were created for the Registry respecting the posting of documents on the website and the publication of notices. To address the posting of documents on the website, the standard is that the document be posted within 48 hours of filing. The target rate is that this be achieved 90% of the time. This was achieved 66% of the time. A review of the circumstances relating to delayed posting points to issues related to proof of service of these documents, for the most part. That is to say, that most documents, 88.5%, were posted on the Tribunal's website within 48 hours, once prescribed by law. It is therefore necessary to undertake a review to ensure that the wording of the service standard is more appropriate to the circumstances prescribed by the *Competition Tribunal Rules*, when dealing with documents requiring proof of service or the public version of a confidential document. Notices are to be published in the *Canada Gazette* and/or newspapers within 10 days of filing the Notice of Application for the cases. This was achieved 100% of the time.

Providing Support Services

The expected results of this program activity are the strengthening of management practices, including the on-going development of enhanced accountability, human resources and employee learning and development.

Providing Legal Support to Tribunal Processes

The legal section's primary role within the Tribunal is to provide research and drafting support to members of the Tribunal in their adjudicative role. As an adjunct to that function, it conducts research on various issues and is responsible for the upkeep of a library designed to provide timely information on various law issues that impact the work of the Tribunal. The legal section also led a major initiative of a working group made up of members of the Bar, representatives from the Competition Bureau and Justice Canada, to redraft the rules of procedure of the Tribunal in order to streamline the various proceedings before the Tribunal.

The new Rules take into account the evolution of technology such as e-filing, the changes in procedure brought about by amendments to the *Competition Act*, and the experience of the Competition Tribunal as an expert tribunal for civil competition matters. The final draft was submitted to Justice Canada for regulatory approval in July 2006, and was published in the *Canada Gazette*, Part I, on May 26, 2007, for public comment.

Improving Management Practices

As part of its commitment to improving the provision and quality of its services to clients, the RCT implemented a service standard in the finance area respecting the payment of invoices and expense claims. The goal was to ensure prompt payment. The standard relating to the payment of invoices and expense claims is that payment is authorized within 10 days following the date of the receipt (on uncontested invoices). This standard was implemented in October 2006. Since that time, the finance section has monitored a random monthly sampling of ten (10) invoices to determine its adherence to the standard. From October 2006 to March 31, 2007, out of a random sampling of 59 invoices and expense claims, the payment was authorized within ten (10) days, and most often within 3 days, of the date of the receipt 100% of the time. This exceeds the target of 90%.

The RCT continued to develop its management practices, continuing its collaboration with a cluster group of three other small quasi-judicial agencies: the Canadian Artists and Producers Professional Relations Tribunal, the Copyright Board and the Transportation Appeal Tribunal. The cluster group focused mainly on the implementation of the *Public Service Modernization Act*, particularly on the enhancement of the Informal Conflict Management System and began preparations for the Management Accountability Framework Assessment scheduled for the fall of 2007.

The RCT has completed its implementation of the *Public Service Employment Act* (PSEA). It continues to work with the Small Agency Transition Support Team on matters related to enhancing its internal processes under the PSEA and ensures that any necessary changes are made to the mandatory policies developed under this legislation. The RCT has completed its first ever Departmental Staffing Accountability Report (DSAR) for the Public Service Commission reporting on the implementation of the PSEA and on the processes adopted by the RCT in support of this. The RCT continues to enhance its human resources planning processes and has developed a current staffing strategy to address staffing issues in the upcoming year. The HR Plan provides the basis for anticipating gaps and developing appropriate strategies to address these needs.

In an effort to ensure compliance with section 8 of the new *Public Service Labour Relations Act* (PSLRA), the RCT was a founding member of the Micro and Small Agency Labour Management Consultation Committee. This committee is comprised of numerous small agencies that were previously unable to establish a labour management consultation committee (LMCC) due to the small size of their organizations. It was felt that due to the small size of the participating agencies, and the resource challenges of bargaining agents in attending LMCCs at all agencies individually, a collaborative effort

between interested small agencies and bargaining agents would be effective in meeting the substantive requirements of the PSLRA. To date, Terms of Reference have been adopted and a management steering committee has been established. Letters were sent to the deputy heads of small and micro agencies to introduce them to the LMCC and to solicit their participation, through the designation of a senior management representative. The LMCC has already had three meetings and has discussed issues relating to employee learning and development and communication issues between employees and bargaining agents. The next meeting will take place in October 2007.

Focusing on Employee Learning and Development

The RCT continues to support employee development. A Competency Dictionary and competency profiles for each position in the organization were created. This Dictionary contains both behavioural and technical competencies that have been identified by the organization as important components of knowledge or development. To support the implementation and effective use of these profiles, supporting tools in the form of a Competency Assessment Questionnaire and a personal learning plan template were developed. These tools will assist in performance discussions between managers and employees and will ensure that employees are well-equipped to prepare a personal learning plan.

Responding to the 2005 Public Service Employee Survey

The RCT's management team analysed the RCT's individual results from the 2005 Public Service Employee Survey and found that there were no issues identified in the results that required action. This was discussed at an all-staff meeting at which this conclusion was validated by employees. As a result, no action plan or working group was developed.

SECTION III: SUPPLEMENTARY INFORMATION

Organizational Information

The Registry of the Competition Tribunal has been designated a department for the purposes of the *Financial Administration Act*, with the Minister of Industry as its minister, and the Registrar as the deputy head. The RCT has 14 full-time employees and provides all necessary administrative support required by the Tribunal for the hearing and disposition of all applications. The RCT responds to all requests for information by the legal community, researchers and the public on the status of cases, the *Competition Tribunal Rules* and its case law.

The Tribunal is composed of not more than six judicial members and not more than eight non-judicial members. Non-judicial members have backgrounds in economics, business, accounting, marketing and other relevant fields. Figure 1 shows the Tribunal's organizational structure.

The Governor in Council appoints judicial members, on the recommendation of the Minister of Justice, from among the judges of the Federal Court and designates one of the judicial members as Chairperson of the Tribunal. The Governor in Council appoints non-judicial members on the recommendation of the Minister of Industry. Appointments are for a fixed term not exceeding seven years; members may be re-appointed.

Figure 1

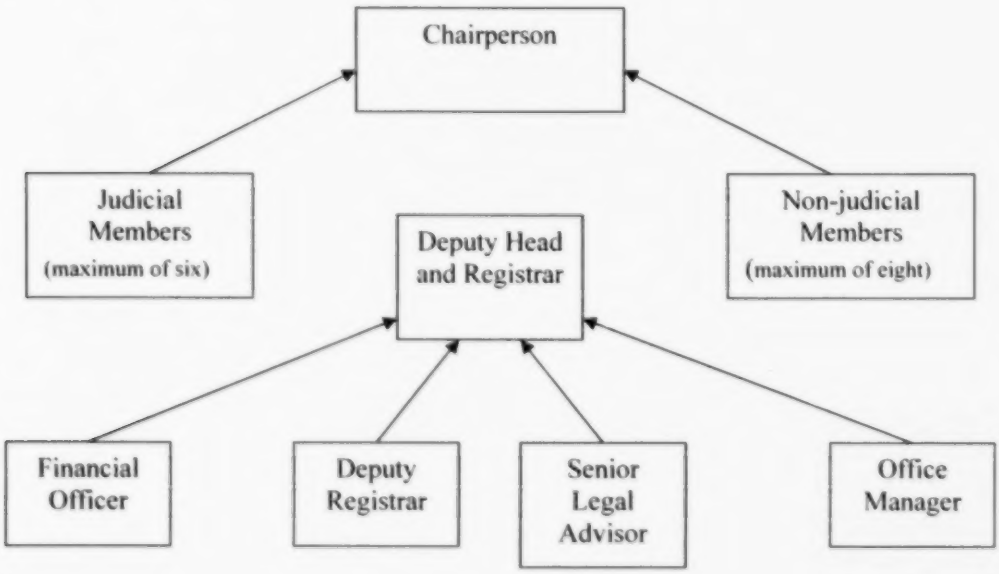

Table 1: Comparison of Planned to Actual Spending (including Full-time Equivalents)

($ thousands)	2004–05 Actual	2005–06 Actual	2006–07			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
Program Activity: Process Cases	1,505	1,590	1,524	1,524	1,545	1,524
Total	**1,505**	**1,590**	1,524	1,524	1,545	1,524
Less: Non-respendable revenue			N/A		N/A	
Plus: Cost of services received without charge	480	485	N/A		N/A	
Total Departmental Spending	1,985	2,075	N/A		N/A	
Full-time Equivalents	14	14	N/A	14	N/A	14

Table 2: Resources by Program Activity

($ thousands)

2006–07									
	Budgetary							Plus: Non-budgetary	
Program Activity	Operating	Capital	Grants	Contributions and Other Transfer Payments	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments, and Advances	Total
Process Cases	1,545	n/a	n/a	n/a	1,545	n/a	1,545	n/a	1,545
Main Estimates	1,524								
Planned Spending	1,524				1,524		1,524		1,524
Total Authorities	1,545								
Actual Spending	1,524				1,524		1,524		1,524

Table 3: Voted and Statutory Items

($ thousands)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006–07			
		Main Estimates	Planned Spending	Total Authorities	Total Actuals
Vote 45	Operating expenditures	1,524	1,524	1,545	1,524
(S)	Contributions to employee benefit plans	162	162	177	177
	Total	**1,686**	**1,686**	**1,722**	**1,701**

Table 4: Services Received Without Charge

($ thousands)	2006–07 Actual Spending
Accommodation provided by Public Works and Government Services Canada	459
Contributions covering the employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (excluding revolving funds); employer's contribution to employees' insured benefits plans and associated expenditures paid by the Treasury Board of Canada Secretariat	64
Salary and associated expenditures of legal services provided by the Department of Justice Canada	------
Total 2006–07 Services received without charge	**523**

Table 5: Financial Statements of Departments and Agencies (including Agents of Parliament)

Registry of the Competition Tribunal

Statement of Financial Position *(Unaudited)*

At March 31

(in dollars)

		2007		2006
Assets				
Financial assets				
Cash	$		$	
Accounts receivable and advances (note 4)		48,108		95,392
Total financial assets		48,108		95,392
Non-financial assets				
Tangible capital assets (note 5)		40,127		27,335
TOTAL	$	88,235	$	122,727
Liabilities				
Accounts payable and accrued liabilities	$	42,080	$	139,366
Vacation pay and compensatory leave		65,249		65,249
Employee severance benefits (note 6)		234,649		164,278
Total liabilities	$	341,978	$	368,893
Equity of Canada		(253,743)		(246,166)
TOTAL	$	88,235	$	122,727
The accompanying notes form an integral part of these financial statements.				

Registry of the Competition Tribunal

Statement of Equity of Canada *(Unaudited)*

At March 31

(in dollars)

		2007		2006
Equity of Canada, beginning of year	$	(246,166)	$	(258,186)
Net cost of operations		(2,273,654)		(2,278,648)
Current year appropriations used (note 3)		1,700,955		1,736,590
Change in net position in the Consolidated Revenue Fund (note 3)		42,122		69,487
Services received without charge from other government departments (note 7)		523,000		484,591
Equity of Canada, end of year	$	(253,743)	$	(246,166)

The accompanying notes form an integral part of these financial statements.

Registry of the Competition Tribunal

Statement of Cash Flow *(Unaudited)*

For the Year Ended March 31

(in dollars)

		2007		2006
Operating Activities				
Net cost of operations	$	2,273,654	$	2,266,717
Non-cash items:				
Amortization of tangible capital assets		12,791		(41,577)
Services received without charge from other government departments (note 7)		(523,000)		(484,591)
Variations in Statement of Financial Position:				
(Decrease) in accounts receivable and advances		(47,284)		(55,500)
Decrease in liabilities		26,915		117,830
Cash used by operating activities	$	1,743,076		1,802,879
Capital investment activities				
Acquisitions of tangible capital assets	$	-		3,198
Financing activities				
Net cash provided by Government	$	1,743,076		1,806,077
Net Cash Used		-		2,234
Cash, beginning of year		(1,117)		(1,117)
Cash, end of year	$	(1,117)	$	(1,117)

The accompanying notes form an integral part of these financial statements.

Registry of the Competition Tribunal

Notes to the Financial Statements (unaudited)

1. Authority and Objectives

The Registry of the Competition Tribunal (Registry) is a quasi-judicial adjudicative tribunal created in 1986 by the *Competition Tribunal Act*. Its mandate is to hear applications and issue orders related to the civil renewable matters set out in Parts VII.1 and VIII of the *Competition Act*, whose purpose is to maintain and encourage competition in Canada, and to ensure that firms compete fairly and markets operate efficiently. The Registry has no other function and operates at arm's length from government and its departments.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations

The Registry is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Registry do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

(b) Net cash provided by Government

The Registry operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the Registry is deposited to the CRF and all cash disbursements made by the Registry are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund

The change is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by the Registry. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Expenses

Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(e) Employee future benefits

i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Registry's contributions to the Plan are charged to expenses in the year incurred and represent the total Registry obligation to the Plan. Current legislation does not require the Registry to make contributions for any actuarial deficiencies of the Plan.

ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(f) Accounts and loans receivables

Accounts and loans receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(g) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of $3,000 or more are recorded at their acquisition cost. The Registry does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Machinery and equipment	10 years
Informatics hardware	3 - 4 years
Other equipment	5 - 10 years

(h) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary appropriations

The Registry receives its funding through annual Parliamentary appropriations. Items recognized in the

statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Registry has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

	2007	2006
	(in dollars)	
Net cost of operations	2,273,654	2,266,717
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less): expenses not affecting appropriations		
Services provided without charge	(523,000)	(484,591)
Amortization of tangible capital assets	12,791	(41,577)
Employee severance benefits	(70,371)	(8,276)
Adjustment of previous year's accounts payable	7,881	1,119
	1,700,955	1,733,392
Adjustments for items not affecting net cost but affecting appropriations		
Add: Tangible capital assets acquisitions	-	3,198
Current year appropriations used	1,700,955	1,736,590

(b) Appropriations provided and used

	Appropriations Provided	
	2007	2006
	(in dollars)	
Vote 45 - Operating expenditures	1,544,953	1,591,750
Statutory amounts	178,112	134,723
Less:		
Appropriations available for future years		(1,117)
Lapsed appropriations: Operating	(22,110)	11,234
Current year appropriations used	1,700,955	1,736,590

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2007	2006
	(in dollars)	
Net cash provided by Government	1,743,076	1,806,077
Change in net position in the Consolidated Revenue Fund		
Decrease in accounts receivable and advances	47,284	55,500
(Decrease) in accounts payable and accrued liabilities	(97,286)	(126,106)
Other adjustments	7,881	1,119
	(42,121)	(69,487)
Current year appropriations used	1,700,955	1,736,590

4. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

	2007	2006
	(in dollars)	
Receivables from other Federal Government departments and agencies	10,073	94,892
Receivables from external parties	37,535	
Employee advances	500	500
Total	48,108	95,392

5. Tangible Capital Assets

(in dollars)

Capital asset class	Cost			
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance
Informatics hardware	217,340			217,340
Other equipment	172,824			172,824
Machinery and equipment	122,847			122,847
Total	**513,011**			**513,011**

Tangible Capital Assets (Cont'd)

Capital asset class	Accumulated amortization			
	Opening balance	Amortization	Disposals and write-offs	Closing balance
Informatics hardware	227,035	(17,143)		209,892
Other equipment	154,748	(11,888)		142,860
Machinery and equipment	103,893	16,240		120,133
	485,676	(12,791)		472,885

Capital asset class	2007 Net book value	2006 Net book value
Informatics hardware	7,449	(9,695)
Other equipment	29,964	18,076
Machinery and equipment	2,714	18,954
	40,127	27,335

Amortization expense for the year ended March 31, 2007 was - $12,791 (2006 was $51,272)

6. Employee benefits

a) Pension benefits

The Registry's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Registry contribute to the cost of the Plan. The 2006-07 expense amounts to $130,446 ($98,869 in 2005-06) which represents approximately 2.2 times (2.6 in 2005-06) the contributions by employees.

The Registry's with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits

The Registry provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2007	2006
	(in dollars)	
Accrued benefit obligation, beginning of the year	164,278	156,002
Expense for the year	70,371	28,719
Benefits paid during the year		(20,443)

Accrued benefit obligation, end of the year	234,649	164,278

7. ***Related party transactions***

The Registry is related as a result of common ownership to all Government of Canada departments, agencies and Crown Corporations. The Registry enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Registry received services which were obtained without charge from other Government departments as presented in part (a).

a) Services provided without charge:

During the year, the Registry received services that were obtained without charge from other government departments and agencies. These services without charge have been recognized in the Registry's Statement of Operations as follows:

	2007	2006
	(in dollars)	
Accommodation	459,000	420,591
Employer's contribution to the health and dental insurance plans	64,000	64,000
Total	523,000	484,591

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the Registry's Statement of Operations.

b) Payables outstanding at year-end with related parties:

	2007	2006
	(in dollars)	
Accounts payable to other government departments and agencies	-	7,882

REGISTRY OF THE COMPETITION TRIBUNAL

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements of the Registry of the Competition Tribunal (Registry) for the year ended March 31, 2007 and all information contained in these statements rests with the Registry's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on managements' best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Registry's financial transactions. Financial information submitted to the Public Accounts of Canada and included in the Registry's Departmental Performance Report is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the Financial Administration Act, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Registry.

The financial statements of the Registry have not been audited.

Raynald Chartrand
Deputy Head and Registrar

Michael Fleming
Financial Officer

Ottawa, Canada
Date: September 20, 2007

SECTION IV: OTHER ITEMS OF INTEREST

Enabling Legislation

Competition Tribunal Act, R.S.C 1985 (2d Supp.), c. 19
Part VII.1, *Competition Act*, R.S.C. 1985, c. C-34
Part VIII, *Competition Act*, R.S.C. 1985, c. C-34

For Further Information

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